GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA

UNSTARRED QUESTION NO:1968
ANSWERED ON:13.03.2008
CORRUPTION IN THE RAILWAY BOARD
Nikhil Kumar Shri

Will the Minister of RAILWAYS be pleased to state:

(a) whether the Railways are aware that officials in Indian Railway Board and Zonal Railways accepted bribes worth lakhs of rupees to provide contracts to Kolkata based Pioneer Friction Limited as reported in the Statesman dated February 16, 2008;

(b) if so, the facts and details thereof;

(c) whether no transparency exist in awarding railway contracts to private/foreign companies;

(d) if so, whether an inquiry would be conducted and involved officials be held responsible; and

(e) if so, the details thereof ?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS(SHRI R.VELU)

(a)&(b): No, Sir. However, a News item was reported in `The Statesman` dated 16th February, 2008. The News item mentioned that between 2001 and 2005, officials in the Indian Railway Board and Zonal Railways accepted bribes of at least $ 137,200 (about Rs.55 lakh) to provide contracts for procurement of high friction composite brake blocks to Kolkata based Pioneer Friction Ltd., a subsidiary of Westinghouse Air Brake Technologies Corporation (Wabtec), USA. The Newspaper further reported that Wabtec acknowledged to US Justice Department of such improper payments.

(c)to(e): No Sir,transparency does exist.The allegations reported in the News item are being investigated by the Departmental Vigilance